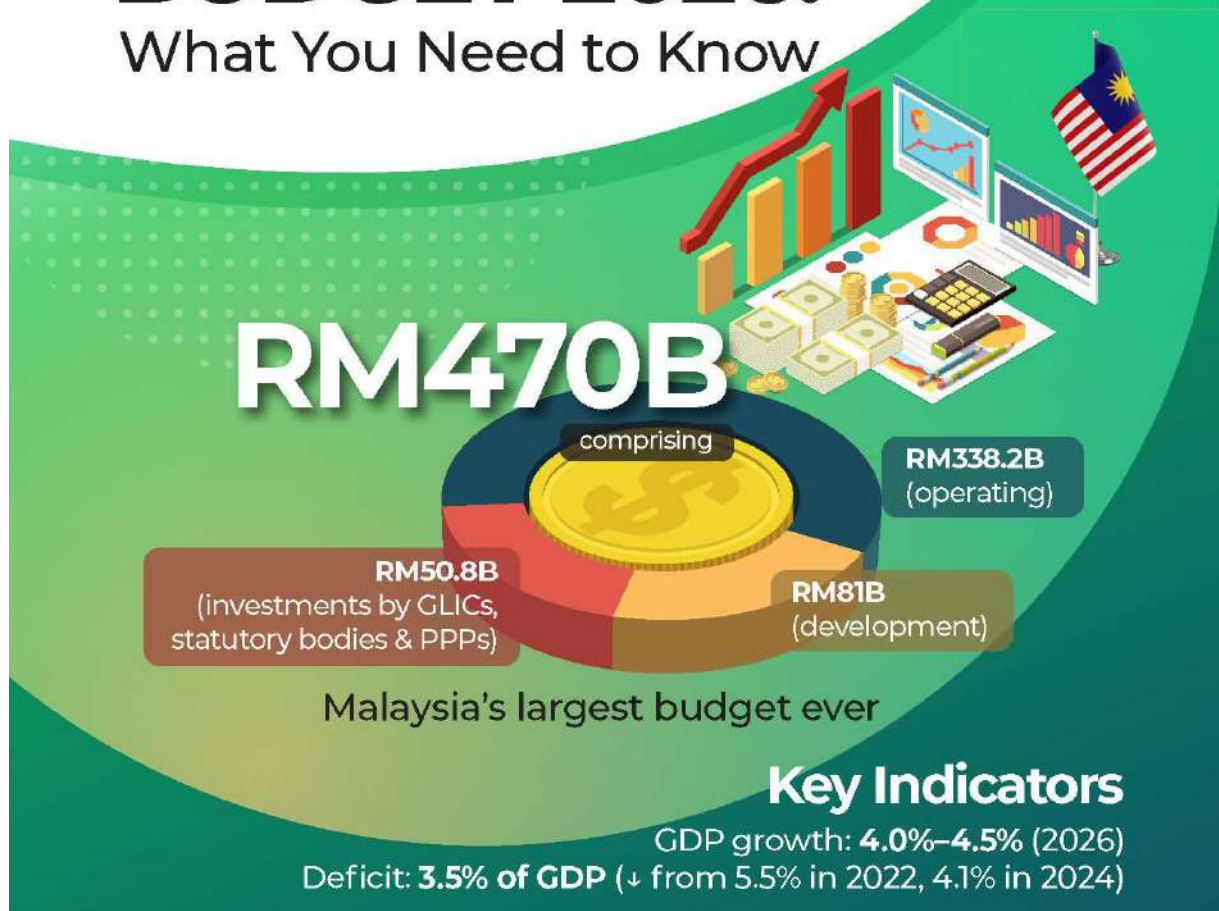


Budget 2026 Allocation

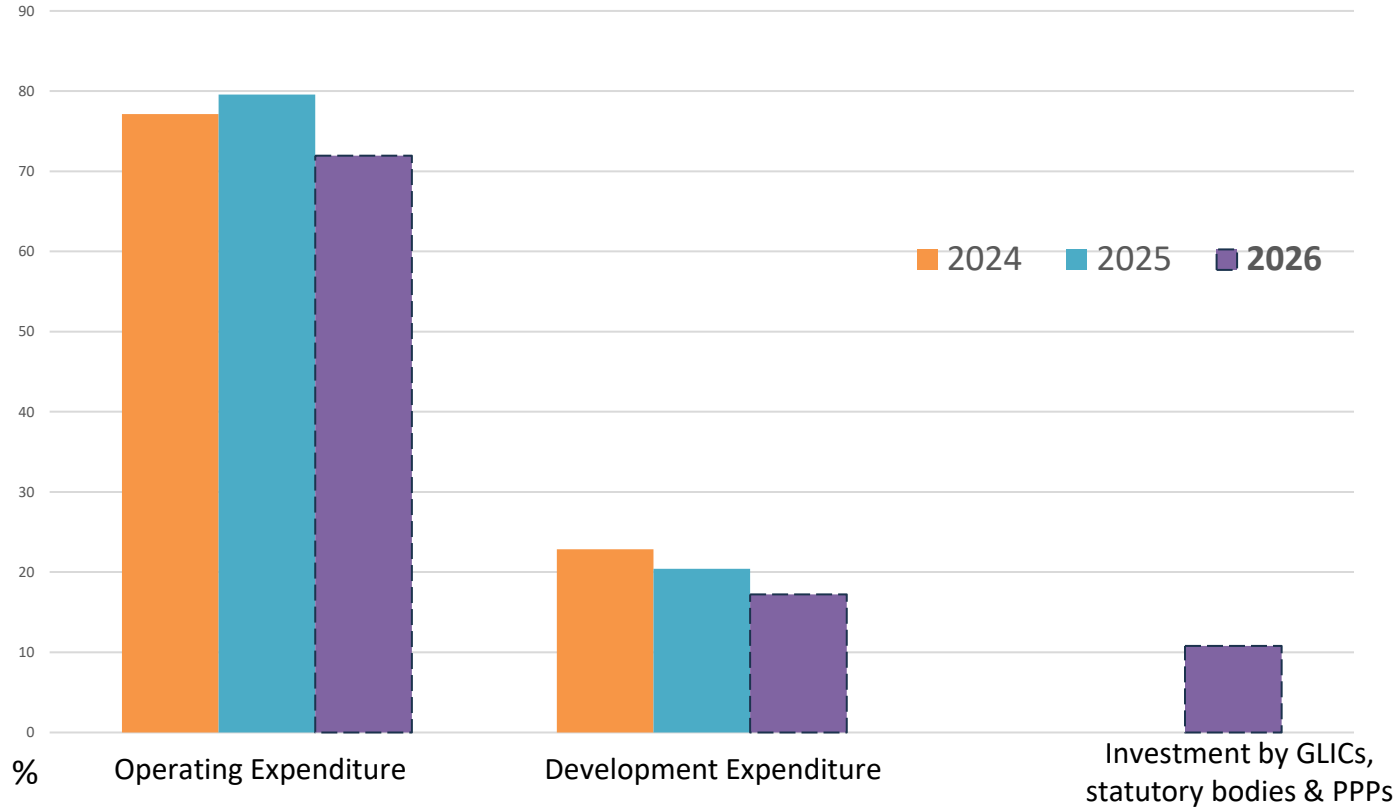
BUDGET 2026: What You Need to Know



Key Indicators

GDP growth: **4.0%–4.5%** (2026)
Deficit: **3.5% of GDP** (↓ from 5.5% in 2022, 4.1% in 2024)

Yearly Budget Allocation



Total Allocation:

2024 – RM393.8 bil

2025 – RM421 bil

2026 – RM470 bil

THIRTEENTH MALAYSIA PLAN

2026-2030

MELAKAR SEMULA PEMBANGUNAN

3 Dimensions



High Income and
Sustainable



Quality and Inclusive
Lives



Sustainable
Environment

Long-Term Goals & Objectives



Raising the Ceiling
A Leading Economy
in Asia



**Strengthening
Good Governance**
Public Sector
Reform



Raising the Floor
Uplifting of the
Living Status of
the *Rakyat*

1

Top 30 largest
economies in the world

2

Top 12 in global
competitiveness

3

Top 25 in the
Corruption Perceptions
Index

4

Increase
compensation of
employees to 45%

5

Top 25 in the Human
Development Index

6

Fiscal deficit below
3% to GDP

7

60% female labour force
participation rate



SYARIKATONG

Financing Fund Allocated – RM6.625 Billion

Fund Allocated	Channel / Platform	Details / Initiatives
1) Business Expansion & Capacity Buiding (SME / Mid-Tier / Export Growth)		
250 million	Khazanah's Mid-Tier Company Programme	To strengthen the capacity of mid-tier companies.
500 million	EXIM bank	To support companies affected by global trade tariff tensions.
30 million	MyCIF	For expansion purposes, including support to the food, agritech, agetech and high impact care-economy sector.

Financing Fund Allocated – RM6.625 Billion

Fund Allocated	Channel / Platform	Details / Initiatives
2) Halal & Bumiputera Sector Development		
200 million	SME Bank's Jaguh Serantau programme	In financing to Bumiputera SMEs to penetrate export markets.
40 million	GLICs and GLCs	To accelerate the process of scaling up high-potential Bumiputera companies.
100 million	SME Bank	Special financing to halal-compliant MSMEs

Financing Fund Allocated – RM6.625 Billion

Fund Allocated	Channel / Platform	Details / Initiatives
3) Equity, Innovation & Commercialisation Support		
10 million	Dana Nasional Syarikat Terbitan	Seed funding for spin-off company to encourage the commercialisation of R&D products
55 million	Cradle Fund	To implement the Equity Investment Programme, as well as the <i>Bengkel Inovasi GLC</i> (BIG), which is extended to the private sector.
4) Digitalisation, Automation & Productivity Enhancement		
1 billion	Development Financial Institutions (DFIs)	To support the automation of processes and digitalisation of business operations.

Financing Fund Allocated – RM6.625 Billion

Fund Allocated	Channel / Platform	Details / Initiatives
5) Entrepreneurship & Inclusive Financing		
1.1 billion	Agrobank	In financing for entrepreneurs to grow their businesses and support automation and mechanisation in agricultural projects.
2.5 billion	BSN and TEKUN	Micro-financing
20 million	KWAP	A micro financing programme for pensioners, empowering entrepreneurship at the community level

Financing Fund Allocated – RM6.625 Billion

Fund Allocated	Channel / Platform	Details / Initiatives
5) Entrepreneurship & Inclusive Financing		
270 million	Bank Rakyat, BSN, MARA and SME Bank	In financing to support women MSME entrepreneurs.
150 million	BSN	In financing to youth entrepreneurs aged 30 and below
6) Rural, Cooperative & Community Empowerment		
350 million	NADI Centres	Mentoring rural entrepreneurs to increase their income through online business.
50 million	Malaysia Co-operative Societies Commission	To support cooperative enterprises nationwide.



Government Guarantees – RM69 billion

Value	Channel / Platform	Details / Initiatives
2 billion	Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP)	For halal-compliant SMEs financing
5 billion		Financing for export-oriented mid-tier companies, including those expanding into new markets
30 billion		The scope of the SJPP will be expanded to guarantee micro-entrepreneurs. And 10 billion is specifically allocated to support Bumiputera entrepreneurs
32 billion	BNM	Focusing on segments of the society with limited access to financing, as well as high-impact activities, such as digitalisation, automation, innovation and green transition.

1) Impact on
Company

2) Impact on
Company as
Employer

**Changes in Tax
Matters**

3) Impact on
Individual

4) Impact on
Property Industry

1) Impact on Company

**Changes in Tax
Matters**

Tax Deduction, Exemption & Incentive

1. Expansion and extension of **exemption on foreign sourced income (FSI)**

2. Expansion of tax deduction for **cost of listing** on Bursa Malaysia

3. Extension for tax exemption for **social enterprise**

4. Expansion for income tax exemption on SRI¹ **sukuk and bond grant scheme**

5. Review of **Accelerated Capital Allowance (ACA)** on capital expenditure on **plant, machinery and ICT equipment**

6. Tax Incentive for **Food Security Projects**

7. Review of tax treatment for **public university teaching hospitals endowment funds**

8. ACA on the cost of purchasing **speed limitation devices** for heavy vehicles

9. Review of double deduction for **scholarship sponsor to Malaysia students**

10. Review of tax deduction for **employing vulnerable persons.**

¹ Sustainable and Responsible Investment

ASPIRATION

To reinforce sustainable global competitiveness

CURRENT

Exemption of foreign-source dividend income received in Malaysia by companies, LLP, and individuals carrying on a partnership.

- P.U.(A) 235/2022

Exemption of gains from disposal of foreign capital asset for companies, LLP, co-operatives and trust bodies.

- P.U.(A) 75/2024

Exemption of foreign-source income for unit trusts.

- P.U.(A) 250/2024

PROPOSAL

- Expanded to co-operatives and trust bodies
- Extended 4 years
- From 1 Jan 2027 until 31 Dec 2030

- Extended 4 years
- From 1 Jan 2027 until 31 Dec 2030



D ITA 1967 INCENTIVE – LISTING ON BURSA

ASPIRATION

Deduction for listing expenditure in driving national economy

CURRENT

Deduction of income not exceeding RM 1.5 million for listing expenditure on Bursa Malaysia:

- i. Main market
- ii. ACE (*Access, Certainty, Efficiency*) Market
- iii. LEAP (*Leading Entrepreneur Accelerated Platform*) Market

Qualifying company:

- i. Technology based company
 - ii. Micro, Small and Medium Entreprises (MSME)
- P.U.(A) 235/2023

PROPOSAL

- Expanded to MSMEs in energy and utilities sectors
- Deduction for technology based company and MSME in technology, energy, and utility sectors extended to 5 years



EFFECTIVE

From YA 2026 until YA 2030

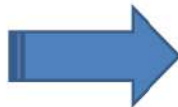
D ITA 1967 INCENTIVE – SOCIAL ENTERPRISE

ASPIRATION

Empowering the nation's socio-economic development

CURRENT

- Income tax exemption for 3 consecutive years of assessment.
- Accreditation from the Ministry of Entrepreneur and Cooperatives Development (KUSKOP).



PROPOSAL

Extended for 3 years



EFFECTIVE

Applications received by the Ministry of Finance (MOF) from 1 Jan 2026 to 31 Dec 2028

D ITA 1967 INCENTIVE – SUKUK AND BOND GRANT

ASPIRATION

Encouraging the issuance of Sustainable and Responsible Investment (SRI) for Sukuk Grant and Bond Grant Scheme in Malaysia to strengthen the financial resources towards a sustainable fiscal management

CURRENT

Income tax exemption as follows:

- Capital Market Development Fund (CMDf) provided by the Securities Commission (SC)
- External review expenditure limited to 90% (Maximum amount of grant up to RM 300,000)
- Application received from 1 Jan 2018 until 31 Dec 2025.



PROPOSAL

Income tax exemption as follows:

- Expanded to include the ASEAN Taxonomy for Sustainable Finance Grant approved by the Securities Commission (SC)
- The expenditure limit on external review has been increased to 100%
- Approval under s.127(3A)



EFFECTIVE

For applications received by the SC from 1 Jan 2026 until 31 Dec 2028

ASPIRATION

Stimulating Domestic Direct Investment (DDI) and accelerating the digital technology transformation of businesses

CURRENT

Capital Allowance

Asset	Initial Allowance (%)	Annual Allowance (%)
Motor Vehicles, Heavy Machinery	20	20
Plant and General Machinery	20	14
Others	20	10
ICT Equipment and Computer Software	40	20

PROPOSAL

Accelerated Capital Allowance (ACA) for a period of 2 years.:

Qualifying Expenditure	Capital Allowance Rate
Locally Manufactured Heavy Machinery	Initial Allowance 20%
Plant and General Machinery manufactured locally	Annual Allowance 40%
Purchase of ICT Equipment and Computer Software Package	
Consultation Fees, Computer Software Licensing	



EFFECTIVE

Capital expenditure incurred from 11 Oct 2025 until 31 Dec 2026

ASPIRATION

Encouraging the participation of food producers for the nation

CURRENT

QUALIFYING COMPANY	TAX INCENTIVE
Companies investing	Tax deduction equivalent to the amount of investment
Companies undertaking food production projects	<ul style="list-style-type: none">i. New project – 100% exemption on statutory income (SI) for 10 years of assessmentii. Expansion project – 100% exemption on SI for 5 years of assessment
Applications received by the Ministry of Agriculture and Food Security Malaysia (MAFS) are extended from 1 Jan 2023 until 31 Dec 2025	

PROPOSAL

QUALIFYING COMPANY	TAX INCENTIVE
Companies undertaking new projects	<ul style="list-style-type: none">i. 100% of income tax exemption on SI for 10 years of assessment.ii. Tax exemption on income from sales in domestic market
Companies undertaking expansion projects	<ul style="list-style-type: none">i. 100% of income tax exemption on SI for 5 years of assessment.ii. Tax exemption on income from sales in domestic market

EFFECTIVE

Applications received by the MAFS are extended from 1 Jan 2026 until 31 Dec 2030



D INCENTIVE – ENDOWMENT FUND

ASPIRATION

Ensuring that public university teaching hospitals have sustainable financial resources

CURRENT

Public universities eligible to establish an endowment fund are:

- Public universities; and
- Universiti Teknologi MARA

Tax treatment:

- Donors are eligible for a tax deduction equivalent to the amount of the contribution (limited to a maximum of 10% of aggregate income); and
- Endowment contributions received are tax-exempt



PROPOSAL

- Expanded to public university teaching hospitals to establish endowment funds
- Cash contributions to endowment funds are given tax deductions under Section 44(11D) of the ITA 1967.

ENDOWMENT



EFFECTIVE

From YA 2026

ASPIRATION

Reducing the accident rate caused by vehicles driven above the speed limit

PROPOSAL

Accelerated Capital Allowance (ACA) for one year (IA: 20%, AA:80%), up to RM4,000 per unit on expenditure for purchase of SLD for retrofit installation on motor vehicles manufactured before 1 Jan 2015 for the following categories:

- i. Goods vehicles with Gross Vehicle Weight (BDM) > 3,500 kg
- ii. Passenger vehicles with BDM > 5,000 kg and >8 passengers
 - Verified by Verification Body certified by Road Transport Department (JPJ)
 - Not applicable for SLD replacement

EFFECTIVE

From 1 Jan 2026 until 31 Dec 2026



ASPIRATION

Citizen empowerment through education

CURRENT

- Double deduction for scholarship sponsor to Malaysia students pursuing Technical and Vocational skills training/ higher education at the Diploma, Bachelor Degree, Masters or Doctorate level.
- The monthly income of parent or guardians does not exceed RM10,000
- P.U.(A) 49/2022.

23



PROPOSAL

- Expanded to qualified professional certification courses verified by professional body
- Increasing the monthly income of parent or guardians to not exceeding RM15,000
- Sponsorship at the Masters and Doctorate level are discontinued.
- Extended for 5 years

EFFECTIVE

From YA 2026 until YA 2030

ASPIRATION

To provide employment opportunities without excluding any individual

CURRENT

Additional tax deduction for employer who employs ex-convict, parolee, supervised person and former drug dependant, resident/former resident of:

- i. Henry Gurney Schools; and
- ii. Cure and care rehabilitation centres as well as non-governmental care centres registered under the Department of Social Welfare.

PROPOSAL

- Extended to employer that employs:
 - Prisoners Released on License; and
 - Drug/substance dependants and misusers undergoing treatment and rehabilitation
- Extended for 5 years

EFFECTIVE

From YA 2026 until YA 2030



Tax Deduction, Exemption & Incentive

11. Extension of tax deduction for **employing senior citizens and research and development**

12. Tax incentive for integrity and anti-corruption programme / activities

13. Expansion of tax incentive for **Automation of Agriculture Sector** (Closed-House System)

14. Income tax exemption for **program organization at international level** verified by MOTAC

15. Expansion and extension of income tax exemption for **arts, cultural, sports and recreational activities**

16. Tax deduction on renovation and refurbishment for **tourism business premises**

17. Tax deduction on **training in Artificial Intelligence (AI)**

18. Expansion of double tax deduction for **care worker training**

19. Tax exemption for **tour operators**

20. Review of tax incentive for **venture capital**



ASPIRATION

Empowerment of senior citizens in strengthening social inclusivity

CURRENT

Additional tax deduction for employers employing senior citizens aged ≥ 60 years, as follows:

- Employed on a full-time basis;
- Monthly remuneration \leq RM4,000;
- The employer and employee are not the same individual; and
- The employee has no familial relationship with the employer.

P.U.(A) 164/2019

**PROPOSAL**

Extended for 5 years

EFFECTIVE

From YA 2026 until YA 2030

D INCENTIVE – RESEARCH AND DEVELOPMENT

ASPIRATION

Rejuvenation and empowerment of human capital through research and development (R&D)

CURRENT

Tax deduction for company that invests in a subsidiary company which commercializes the findings of non-resourced based R&D by public research institutions, public or private higher education institutions

➤ P.U.(A) 3/2022

PROPOSAL

Extended for 5 years



EFFECTIVE

Applications received by MIDA
from 1 Jan 2026 until 31 Dec 2030

ASPIRATION

Expanding the scope of tax incentive for **Automation of Agriculture Sector**

CURRENT

Tax incentive for chicken rearing in closed-house system is as follows:

- Accelerated Capital Allowance (ACA) incentive of 100% on qualifying capital expenditure; and
- Tax exemption of 100% on the same qualifying capital expenditure
- Application received by the Minister of Agriculture and Food Security (KPKM) from 1 Jan 2023 until 31 Dec 2025;

Tax Incentive for Automation of Agriculture Sector is as follows:-

- ACA of 100% on the first RM 10 million of the qualifying capital expenditure; and
- Income tax exemption of 100% on the same capital expenditure
- The eligible activities are planting, livestock farming, apiculture, aquaculture, and capture fisheries activities.
- Applications received by KPKM from 1 Jan 2023 to December 31, 2027.

PROPOSAL

Tax incentive for **Automation of Agriculture Sector** is expanded to chicken rearing in the closed-house system

EFFECTIVE

Applications received by KPKM
From 1 Jan 2026 until 31 Dec 2027



D INCENTIVE – PROGRAM ORGANIZATION

ASPIRATION

To promote the organizing of meeting incentive, convention and exhibition at international level for Visit Malaysia Year 2026.

CURRENT

ENTITY	TAX INCENTIVE
Company, association or organization that promotes and organizes conferences	<ul style="list-style-type: none">• 100% income tax exemption on SI• Participation ≥ 500 foreign participants• From YA 1997
Entity whose primary activity is other than promoting and organizing conferences	<ul style="list-style-type: none">• 100% income tax exemption on SI• Participation ≥ 500 foreign participants• From YA 2020 – YA 2025



PROPOSAL

- 100% income tax exemption on SI for organizer verified by MOTAC
- Extended for 2 years
- Increase the condition for participation of foreign participant per year
 - Incentive trip ≥ 1,500 participants;
 - Conference ≥ 2,000 participants;
 - Trade Exhibition ≥ 3,000 participants

EFFECTIVE

YA 2026 & YA 2027

D INCENTIVE – ARTS, CULTURAL, SPORTS AND RECREATIONAL ACTIVITIES

ASPIRATION

To encourage the organizing of arts, cultural, tourism, and sports and recreational activities at international standard for Visit Malaysia Year 2026

CURRENT

50% income tax exemption on SI for activities:

- Organizing arts or cultural activities approved by Minister of Tourism, Arts and Culture (MOTAC) at the stated location
- Sports or recreational competitions of international standard approved by Minister of Youth (KBS)
- P.U.(A) 478/2021



PROPOSAL

- Expanded to tourism activities approved by MOTAC to:
 - i. Tourism activities (not including concert performance);
 - ii. Any location (for arts, cultural and tourism activities)
- Expanded to international standard sports and recreational competitions approved by KBS
- Extension period-2 years

EFFECTIVE

YA 2026 & YA 2027

D INCENTIVE – RENOVATION & REFURBISHMENT

ASPIRATION

To upgrade and refurbish tourism business premises in conjunction with Visit Malaysia Year 2026

CURRENT

Expenditure on renovation and renewal of business premises is not tax deductible under subsection 33(1) ITA 1967.



PROPOSAL

Tourism project operators:

- Tax deduction up to RM500,000
- Registered with the Ministry of Tourism, Arts and Culture

EFFECTIVE

From 11 Oct 2025 until 31 Dec 2027

ASPIRATION

To encourage the adoption of AI in business

CURRENT

Company is eligible to claim expenditure:

- Tax deduction under Section 33 for expenses incurred for employee training
- Further tax deduction for expenses incurred on approved training programmes in manufacturing and non-manufacturing activities including the hotel and tourism

Company is not eligible to claim expenditure:

- Contributions to HRDF as further tax deduction

PROPOSAL

Company is eligible to claim expenditure:

- AI training costs incurred by MSMES, including contributions to HRDF as an additional 50% tax deduction once in 2-years

AI training accredited by **MyMahir National AI Council for Industry (NAICI)****EFFECTIVE**Applications received by Talentcorp
From 1 Jan 2026 until 31 Dec 2027

ASPIRATION

To fulfil the need for quality care services for the elderly, special needs children and Persons with Disabilities (OKU)

CURRENT

A double tax deduction is given to the companies on:

- Expenditure to sponsor training for OKU

OKU registered with the Ministry of Women, Family and Community Development (KPWKM)

PROPOSAL

- Double tax deduction for companies expanded to include Sponsorship of care workers undergo training programmes in institutions recognized by KPWKM
- The sponsored care workers should not be the employees of the company.

EFFECTIVE

YA 2026 & YA 2027

ASPIRATION

To boost tourism activities in conjunction with Visit Malaysia Year 2026

CURRENT

100% tax exemption on SI :

- Domestic package participated by \geq 1,500 domestic tourists; and
- Inbound package participated by \geq 750 foreign tourists
- From YA 2007 to YA 2020

Review on the COVID-19 pandemic :

- Domestic package participated by \geq 200 domestic tourists;
- No minimum number of foreign tourists
- Extended to YA 2022

PROPOSAL

100 % tax exemption on incremental income :

- Inbound participated by \geq 1,000 foreign tourists; and
- Incremental income :
 - the difference between the qualifying income during the basis period and the preceding basis period

EFFECTIVE

YA 2026 & YA 2027

Tax incentive for venture capital company (VCC)

CURRENT

Tax deduction equivalent to the amount of investment limited to RM20m - P.U.(A) 117/2022

Individual

Company

Venture Capital Company (VCC)

- Tax Exemption on statutory income derived from all sources of income exclude interest/profit from Syariah- based deposits)
- Exemption for 5 years of assessment on invested fund \geq : 50% early stage and 50% other than early stage.
- Tax incentive: P.U.(A) 115/2022



Venture Capital Management Company (VCMC)

- Tax exemption on share of profit, management fee and performance fee from VVC
- P.U.(A). 77/2005 – Until YA2026
- Tax Incentive: P.U.(A) 116/2022

Tax deduction equivalent to the amount of investment - P.U.(A) 117/2022

Individual

Company

Venture Company (VC)

- VCC registered with Securities Commission (SC) latest by 31 Dec 2023
- First certification by SC latest by 31 Dec 2026.

ASPIRATION

To promote investment by VCC

PROPOSAL

- 5% corporate tax imposed on all income (exclude interest/profit from savings/ fixed deposits/ deposit)
- Investment fund $\geq 20\%$
- Tax incentive :10 years. First certification by SC < 31 Dec 2025
- Expanded to entities incorporated under the Limited Liability Partnerships Act 2012 and the Labuan Limited Partnerships and Limited Liability Partnerships Act 2010 which elect to be taxed under ITA 1967

- A tax rate of 10% imposed on income derived from share of profit, management fees and performance fees (From YA 2025 to YA 2035)



Venture Capital
Company
(VCC)

Venture Capital
Management Company
(VCMC)

EFFECTIVE

From YA 2025 until YA2035

ASPIRATION

To promote investment by VCC



Individual
shareholders of VCC

Company that invest
in VCC

Company or individual
that invest in VC



PROPOSAL

Exemption on distribution of dividend to individual at the first level

Incentives not extended

EFFECTIVE

From YA 2025 until YA2035

Introduction of
Lemon Law

Carbon Tax

**Impact for
Businesses**

E-invoicing

Revamp of
stamp duty



SYARIKATONG

Update on E-invoice status

Sejak 1 Ogos 2024, Sistem MyInvois telah merekodkan lebih daripada 627 juta e-Invois melibatkan 104,744 pembayar cukai

HASiL

SEMINAR PERCUKAIAN
KEBANGSAAN 2025
BELANJAWAN 2026



MyInvois
PENCAPAIAN TERKUMPUL
(14 OKTOBER 2025)

LEBIH
627,800,000
E-INVOIS TELAH
BERJAYA DIREKODKAN
sehingga 9.00 pagi

Maklumat dan bantuan lanjut berkaitan pelaksanaan e-Invois:
<https://www.hasil.gov.my/e-invois> 03-8682 8000 (Talian 24 jam)

www.hasil.gov.my @myinvoishasil

Bilangan Pembayar Cukai

Fasa 1	5,517
Fasa 2	13,918
Fasa 3	44,225
Fasa 4 & 5	41,084

Pelaksanaan secara
sukarela

Note: Data sehingga 14 Oktober 2025

10

Revamp of stamp duty

Revision

- Increase of stamp duty rate for property ownership by non-citizen (from 4% to 8%)
- Increase of threshold for stamp duty for employment contract (from RM300 per month to RM3,000 per month)

Extension of Time

- Stamp duty exemption for first home ownership
- Stamp duty exemption for insurance policies and takaful certificates
- Stamp duty exemption in relation to exchange traded funds and structured warrants

New

- Implementation of STSDS in phase starting from 1 Jan 2026 which duty payers are now required to undertake a self-assessment of the value of stamp duty and make payment within the specified timeframe

Hasil Aspiration

- Standardising assessment raised under SDSAS
- Sustainability in stamp duty payment
- Ensuring equitable treatment of the public in duty payments arising from exchange of real properties
- Enhancing the efficiency of the refund process in line with the implementation of SDSAS
- Standardising the Imposition of Late Payment Penalties

- 01** Registration of instruments of transfer of debentures or shares (executed abroad) is not duly stamped.

(COURT) FINE

CURRENT	PROPOSAL
Not exceeding RM250	Not less than RM1,000 and not exceeding RM10,000

- 02** Failure to pay the remitted compound duty to the Collector within the fixed period on or before the 14th day of the next month.

(COLLECTOR) PENALTY

CURRENT	PROPOSAL
RM200 or 10% of the amount payable, whichever is higher.	RM500 or 20% of the amount payable, whichever is higher.

- 03** Offence of failing to disclose all facts and circumstances in an instrument duly executed with the intention of evading payment of duty.

(COURT) FINE

CURRENT	PROPOSAL
Not exceeding RM2,500	Not less than RM2,500 and not exceeding RM50,000

- 04** Offence of executing and signing documents that have not been duly stamped.

(COURT) FINE

CURRENT	PROPOSAL
Not exceeding RM1,500	Not less than RM1,000 and not exceeding RM10,000

- 05** Offence for failing to execute and transfer a contract note.

(COURT) FINE

CURRENT	PROPOSAL
Not exceeding RM1,500	Not less than RM1,000 and not exceeding RM10,000

- 06** Offences relating to stamp certificates, such as selling or falsifying stamp certificates, and others.

(COURT) FINE

CURRENT	PROPOSAL
Not exceeding RM5,000	Not less than RM2,500 and not exceeding RM50,000

EFFECTIVE

From 1 Jan 2026

A graphic with a yellow background and a dark blue wavy bottom. A white speech bubble-like shape contains the text 'STAY TUNED' in large, bold, dark blue letters, with '- COMING SOON -' in smaller dark blue letters below it. A yellow dotted pattern is visible in the top left corner of the yellow area.

**STAY
TUNED**
- COMING SOON -

**Stay connected with us
for our upcoming
Coffee on Zoom
session on Stamp Duty**

**Changes in Tax
Matters**

**2) Impact on
Company as
Employer**

Stamp duty for
employment contract

Employment Pass
Requirement Eased
(Talent Fast Track)

**Impact for
Employer**

Extension of tax deduction for
employing senior citizens and
vulnerable groups

Tax deduction for
Artificial Intelligence (AI)
and cybersecurity
training



ASPIRATION

To reduce the burden of administrative expenditure
for employment contracts

CURRENT

The threshold of monthly wages for
employment contracts exempted from
stamp duty is RM300 per month

PROPOSAL

Increased to RM3,000

EFFECTIVE

From 1 Jan 2026



3) Impact on Individual

**Changes in Tax
Matters**

Expansion of scope

- Vaccination Expenses
- Childcare and Kindergarten fees
- Life insurance and takaful contribution
- Environmental sustainability and home safety

Personal Relief

Increase on amount

- Tax relief for Medical expenses for taxpayer, spouse and children on serious diseases (early intervention programmes and rehabilitation treatment for children aged 18 years and below with learning disabilities)

New

- Entrance fee for domestic tourism activity

Expansion of scope

Tax relief for **vaccination expenses for self, spouse and child**
(total relief RM1,000)

Expanded to cover **all vaccines** registered and approved for use by the National Pharmaceutical Regulatory Agency, Ministry of Health.

Tax relief for **childcare or kindergarten fees** (total relief RM3,000)

Expanded to include **daily care centres** or **after-school transit centres** registered with Department of Social Welfare for children **aged up to 12 years old**.

Tax relief for **life insurance and takaful contributions** for self and spouse
(total relief RM3,000)

Expanded to include for **child**.

Tax relief for expenditure related to **environmental sustainability and home safety**
(total relief RM2,500)

Expanded to include for **household food waste grinders** and **Closed-Circuit Television (CCTV)** for home use

Increase on amount of relief

Tax relief for Medical expenses for taxpayer, spouse and children on serious diseases (**early intervention programmes and rehabilitation treatment for children aged 18 years and below with learning disabilities**) (limit to RM6,000) (total relief RM10,000)

Increased from RM6,000 to RM10,000

New

Tax relief for **entrance fee** for domestic tourism activity (total relief RM1,000)

- i. tourist attractions such as museums, theme parks, national parks, marine parks, zoos and geoparks; and
- ii. cultural and art programmes



ITA 1967 – INDIVIDUAL PARTNER LIMITED LIABILITY PARTNERSHIP (LLP)

ASPIRATION

Imposition of tax on high-income group

CURRENT

Tax treatment:

- i. Corporate tax rates of LLP - 15%, 17%, and 24%
- ii. Profit distributions to partners are tax-exempt
- iii. Income other than profit distributions from LLP is subject to individual income tax at progressive rates

PROPOSAL

Tax treatment:

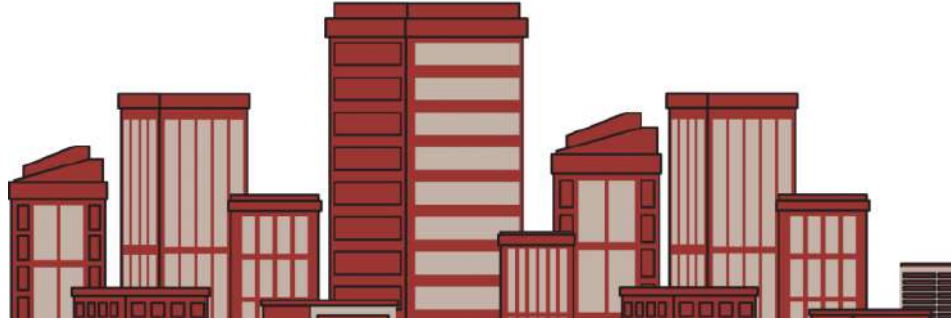
- i. Profit distributions from the LLP exceeding RM100,000 received by partners are subject to tax
- ii. Income tax rate - 2% (after taking into account allowable tax reliefs and deductions)
- iii. Individual partners of LLP (residents and non-residents)

EFFECTIVE

From Year of Assessment (YA) 2026

Changes in Tax Matters

4) Impact on
Property Industry



Special tax deduction of 10% of qualifying expenditure, capped at RM10 million, for modification / converting commercial buildings into residential premises



ATTENTION

To recap, RPGT losses are no longer carried forward indefinitely — they are now limited to 10 years from the year of disposal.

Revamp of stamp duty

Revision

- Increase of stamp duty rate for property ownership by non-citizen (from 4% to 8%)
- Increase of threshold for stamp duty for employment contract (from RM300 per month to RM3,000 per month)

Extension of Time

- Stamp duty exemption for first home ownership
- Stamp duty exemption for insurance policies and takaful certificates
- Stamp duty exemption in relation to exchange traded funds and structured warrants

New

- Implementation of STSDS in phase starting from 1 Jan 2026 which duty payers are now required to undertake a self-assessment of the value of stamp duty and make payment within the specified timeframe

Hasil Aspiration

- Standardising assessment raised under SDSAS
- Sustainability in stamp duty payment
- Ensuring equitable treatment of the public in duty payments arising from exchange of real properties
- Enhancing the efficiency of the refund process in line with the implementation of SDSAS
- Standardising the Imposition of Late Payment Penalties

ASPIRATION

Strengthening the stamp duty rate structure and real property price control mechanism

CURRENT

Stamp duty on transfer of residential property by non-citizen (other than permanent resident in Malaysia) and foreign company charged at 4% under Item 32(aa) First Schedule.

PROPOSAL

New stamp duty rate for this category is increased to 8%.

EFFECTIVE

Instrument of transfer of residential property executed from 1 Jan 2026

ASPIRATION

Stamp duty for first home ownership.

CURRENT

A 100% stamp duty exemption on the instrument of transfer and loan agreement executed for the purchase of a first residential property by a Malaysian citizen, where the value of such property does not exceed RM500,000.

- P.U.(A) 53/2021
- P.U.(A) 54/2021

**PROPOSAL**

Extended from 1 Jan 2026 to 31 Dec 2027

EFFECTIVE

Sale and Purchase Agreements executed from 1 Jan 2026 to 31 Dec 2027



Q & A session

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